



PPM Energy
A ScottishPower Company

January 24, 2003

The Honorable Greg Nickels
Mayor, City of Seattle
600 Fifth Avenue
12th Floor
Seattle, Washington 98104

Attn: Regina LaBelle

RE: PPM Energy's support for Gary Zarker's reconfirmation as Superintendent

My name is Peter van Alderwerelt, and I am the Vice President of Business Development and Origination for PPM Energy, Inc. ("PPM"). PPM is a wholly-owned subsidiary of Scottish Power. The Scottish Power group of companies also includes PacifiCorp. Seattle City Light ("Seattle") and the Scottish Power group have enjoyed a strong business relationship over many years. PacifiCorp and Seattle were joint owners of the Centralia generating facility. In the past few years, the relationship has grown further, with PPM and Seattle working collaboratively on important regional power projects such as the following:

- *PPM and the City of Klamath Falls, Oregon developed the environmentally-responsible Klamath Cogeneration Plant, owned and financed by the City. Seattle purchases 100 MW from this municipal facility, with PPM as the broker for the City.*
- *PPM has acquired all the output from the Stateline Wind Project, built by FPL Energy. Seattle purchases 150 MW of this energy from PPM, with PPM facilitating delivery arrangements benefiting Seattle.*

Speaking for myself and my staff, I have found Gary Zarker and his staff to be knowledgeable, professional, and pro-active in managing risks. For example, prior to the power crises in late 2000-01, Seattle methodically analyzed its risks and executed its Klamath Falls purchase agreement. As a result, Seattle acquired a long-term supply from a new high efficiency plant, well before the crisis drove market prices up.

More now than ever, we place a high value on trust and stability in our relationships with key regional partners, such as Gary Zarker and Seattle City Light. The complexity and market volatility of the energy business demands it. And the development of long-term energy supplies requires it. Finally, renewable energy is central to PPM's strategy, and we highly respect Seattle for the continuous leadership it has provided in this area. For all these reasons, I strongly support Gary Zarker's reconfirmation as Superintendent of Seattle City Light.

Sincerely,

Peter van Alderwerelt
Vice President of Business Development and Origination